

# Sarah Täumer

## Organic Farming Development in China and Japan

### An Analysis of Supportive Structures

#### Topic and Research Question

One of the pivotal issues of the 21st century has worldwide been how to find the right balance between protecting the environment while being able to provide enough food for everybody. Organic farming (OF) has broadly been considered as one way to alleviate the effects of human population growth and industrialization on the natural environment and global food supply. China has recently been dealing with many environmental issues, food safety scandals and numerous negative effects of overpopulation. Japanese authorities are looking for a sustainable way to increase domestic food production and consumers are concerned about what food is safe to eat. This paper focuses on finding factors that support the development of OF in China and Japan. The research questions thus are: What are, regardless of specific countries, general structures that are likely to influence OF development? Can such essential supportive factors be found in China and Japan and if so, to what degree have they evolved? What are differences and similarities of the influential factors on OF in Japan and China? Where are insufficiencies, i.e. the lack of fundamental factors or intrinsic impediments? This thesis may be relevant for further research on whether the actual state of development of the OF sector of a country can be determined exactly by measuring the support system of OF through calculations. The theoretical framework may furthermore be used as a basis for studying support schemes in other countries of the world.

#### State of the Art

Research on support factors of OF has been increasing for over a decade. Scientists have published case studies that focus on one single country as well as those that compare support measures for OF in several countries to determine which measures have been most prominent. The literature used to build a research framework for this thesis has been selected from works of different geographical backgrounds, sources from countries that have a well-developed OF sector as well as sources that deal with countries that have only begun using organic growing methods. The works that were mainly used are amongst others Michelsen et al. (2001), Wheeler (2008), Stolze & Lampkin (2009), and Schmid et al. (2008).

#### Methodology and Approach

In order to find support mechanisms for OF in Japan and China, factors that generally count as having a positive or negative effect on OF development had to be identified. These were collected from diverse

sources that deal with supporting elements for OF in different geographical areas. The factors were subsequently arranged in order to form a research framework that could then be used for the analysis of the country cases of China and Japan. A great portion of researchers agree on three main areas that influence the development of OF methods. These are: politics, economic circumstances, social factors and obstacles that inhibit OF development. However, due to the fact that a mere absence of supportive structures suggests the opposite of development and progress, obstacles are dealt with only briefly. The above mentioned areas have thus been used as the central pillars for the theoretical research frame of this thesis. Each area encloses several sub-topics that were considered as research criteria:

Politics	<ul style="list-style-type: none"> <li>&gt; National guidelines</li> <li>&gt; Financial support</li> <li>&gt; Official authorities that provide assistance and information</li> <li>&gt; Certification</li> <li>&gt; Labeling</li> <li>&gt; Laws and standards</li> <li>&gt; Funding and promotion of research and development</li> <li>&gt; Education and information</li> </ul>
Economic circumstances	<ul style="list-style-type: none"> <li>&gt; Market for organic products and organic feed</li> <li>&gt; Sales channels</li> <li>&gt; Price premiums</li> </ul>
Social factors	<ul style="list-style-type: none"> <li>&gt; Non-governmental actors</li> <li>&gt; Motivation of organic farmers through rewards and prizes</li> <li>&gt; Consumers of organics</li> <li>&gt; Promotion of organic products</li> </ul>
Barriers	

#### Main Facts

##### China:

China has not formulated a holistic policy for OF support, but has begun integrating single aspects of bio farming into certain government programs. By law China defines three levels of healthy food: hazard-free food (products that do not cause illness), green food (reduced chemical treatment), and organic food (no chemical treatment). Numerous organic certification bodies, which are accredited by government authorities, issue related labels. Financial support for OF,

consulting, and research in the OF sector is primarily offered and performed amongst private institutions. However, small-scale organic farms are usually excluded from financial subsidies. The national government is rarely involved in supporting activities and has e.g. not included OF topics in school and academic curricula in detail yet; nevertheless, environmental education has found its way into a number of individual classes. Although China's organically cultivated area is large, the share of organic farmland is only at 0.4 % of the total agricultural land. Organic products are sold at prices that are three times higher than those for conventional food, which is why they are only affordable for well-to-do citizens whose major reason to buy bio products is food safety. Promotion of OF within society takes place through few environmental NGOs, government-organized NGOs and farmer-organized groups. Barriers to OF in China include a low level of knowledge about organic products and different food labels among the general public, a lack of financial subsidies for small farms, high prices, and fraud cases regarding labeling and certification.

##### Japan:

The Japanese government officially encourages OF by providing related national guidelines and a law on financial support in the form of grants, tax-reductions or direct payments for OF initiatives. OF as a central topic in education has not yet been a government priority; however, organic farms and universities offer related classes. The Japanese Agricultural Standard, a set of OF guidelines defines the Japanese label for bio products and regulates production standards for organic foods. Certification is performed by about 50 associations that must be accredited by national authorities. Information services and research on OF are mainly performed by local organizations, both private and state-owned, universities and farmer groups. The share of organic farmland is at 0.27 % and as the demand for bio products is high, most of them are imported. Although many organic farms do not have an official label due to high costs, consumer trust in those farms is still high. Prices for organic food are very high, which poses a barrier to further expansion and limits consumers to those that are well-off. They buy bio products due to the following reasons: food safety, pollution reduction, and support of local farmers. Among Japanese society it is mainly NGOs and farmer and consumer cooperatives that promote OF. Aside from high prices, frauds and the lack of knowledge about organics among the general public are the main challenges the OF sector in Japan is facing.

#### Results

The thesis elaborates that China and Japan indeed dispose of political, economic, and social aspects that support OF development. The degree, to which each aspect has evolved, shows a variation by country.

**Politics:** Laws on certification, labeling, organic production and processing have been well developed in both countries. Whereas the Japanese government offers several financing possibilities for organic farmers, Beijing has not succeeded in doing so to the same extent. The two Asian countries also lack consulting institutions initiated by the government as well as the thorough integration of OF topics into university and school curricula. Also fraud cases in the OF sector are not uncommon in both countries.

**Economic circumstances:** China and Japan show insufficiencies concerning the market conditions for bio products. These include the very high price premiums and low shares of organic farmland.

**Social factors:** The Japanese population is more government-independent than the Chinese, which is why in Japan citizen-organized groups are more active in promoting OF. Additionally, in Japan citizens are more community-focused and environmentally-oriented, whereas in China personal effects of bio product consumption are more important and fraud scandals fuel distrust in bio food among the population.

Although Japan and China have both succeeded in establishing certain mechanisms that foster OF development, many areas in the OF sector in both countries still require further improvement.

#### References

All references can be found in the full version of the MA thesis available at <http://othes.univie.ac.at/>

#### About the Author

Sarah Täumer is a state-certified, duly appointed, commissioned and jurisdictionally sworn translator for the Chinese language and holds an MA degree in East Asian Economy and Society. In the course of her studies she spent one year at Qingdao University.

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